

AMENDED IN ASSEMBLY AUGUST 25, 2005

AMENDED IN ASSEMBLY JULY 6, 2005

AMENDED IN ASSEMBLY JUNE 16, 2005

AMENDED IN SENATE APRIL 18, 2005

AMENDED IN SENATE APRIL 11, 2005

AMENDED IN SENATE MARCH 17, 2005

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**SENATE BILL****No. 190**

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**Introduced by Senators Cedillo and Alarcon**

February 10, 2005

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An act to amend Section 15438.6 of the Government Code, relating to public health, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 190, as amended, Cedillo. Community clinics.

Existing law, the Cedillo-Alarcon Community Clinic Investment Act of 2000 (the Cedillo-Alarcon Act), authorizes the California Facilities Financing Authority to award grants to eligible clinics for financing capital outlay projects. Existing law establishes the California Health Facilities Fund and continuously appropriates the fund to the authority for health facility financing purposes.

The Cedillo-Alarcon Act is to be implemented only to the extent that funds are appropriated for those purposes in the Budget Act of 2000.

This bill would remove that restriction, thereby making an appropriation, and would make conforming changes.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote:  $\frac{2}{3}$ . Appropriation: yes. Fiscal committee: yes.

State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 15438.6 of the Government Code is  
2 amended to read:

3 15438.6. (a) This section shall be known, and may be cited,  
4 as the Cedillo-Alarcon Community Clinic Investment Act of  
5 2000.

6 (b) The Legislature finds and declares all of the following:

7 (1) Primary care clinics ~~Capital~~ *require capital* improvements  
8 in order to continuously perform their vital role. Many primary  
9 care clinics are currently at capacity and in order to increase  
10 access to their services and allow them to expand to cover the  
11 growing need for health care for the vulnerable populations in  
12 California, these capital funds are necessary.

13 (2) Primary care clinics are the health care safety net for the  
14 most vulnerable populations in California: uninsured,  
15 underinsured, indigent, and those in shortage designation areas.  
16 Primary care clinics provide health care regardless of the ability  
17 to pay for services.

18 (3) Approximately 6.6 million Californians lack health  
19 insurance, a number that increases by 50,000 per month.

20 (4) Primary care clinics have been historically and woefully  
21 underfunded.

22 (5) Primary care clinics are the most cost-effective means of  
23 serving California's vulnerable populations.

24 (6) The failure to adequately fund primary care clinics has  
25 resulted in significant costs to the state in the form of  
26 unnecessary emergency room visits. Also, the lack of preventive  
27 care results in significant costs when patients become severely  
28 ill.

29 (c) The authority may award grants to any eligible clinic, as  
30 defined in subdivision (a) of Section 1204 and subdivision (c) of  
31 Section 1206 of the Health and Safety Code, for purposes of  
32 financing capital outlay projects, as defined in subdivision (f) of  
33 Section 15432.

1 (d) The authority, in consultation with representatives of  
2 primary care clinics and other appropriate parties, shall develop  
3 selection criteria and a process for awarding grants under this  
4 section. The authority may take into account at least the  
5 following factors when selecting recipients and determining  
6 amount of grants:

7 (1) The percentage of total expenditures attributable to  
8 uncompensated care provided by an applicant.

9 (2) The extent to which the grant will contribute toward  
10 expansion of health care access by indigent, underserved, and  
11 uninsured populations.

12 (3) The need for the grant based on an applicant's total net  
13 assets, relative to net assets of other applicants. For purposes of  
14 this section, "total net assets" means the amount of total assets  
15 minus total liabilities, as disclosed in an audited financial  
16 statement prepared according to United States Generally  
17 Accepted Accounting Principles, and shall include unrestricted  
18 net assets, temporarily restricted net assets, and permanently  
19 restricted net assets.

20 (4) The geographic location of the applicant, in order to  
21 maximize broad geographic distribution of funding.

22 (5) Demonstration by the applicant of project readiness and  
23 feasibility to the authority's satisfaction.

24 (6) The total amount of funds appropriated and available for  
25 purposes of this section.

26 (e) No grant to any clinic facility shall exceed two hundred  
27 fifty thousand dollars (\$250,000).

28 (f) In no event shall a grant to finance a project exceed the  
29 total cost of the project, as determined by the clinic and approved  
30 by the authority. Grants shall be awarded only to clinics that have  
31 certified to the authority that all requirements established by the  
32 authority for grantees have been met.

33 (g) All projects that are awarded grants shall be completed  
34 within a reasonable period of time, to be determined by the  
35 authority. No funds shall be released by the authority until the  
36 applicant demonstrates project readiness to the authority's  
37 satisfaction. If the authority determines that the clinic has failed  
38 to complete the project under the terms specified in awarding the  
39 grant, the authority may require remedies, including the return of  
40 all or a portion of the grant. Certification of project completion

1 shall be submitted to the authority by any clinic receiving a grant  
2 under this section.

3 (h) Any clinic receiving a grant under this section shall  
4 commit to using the health facility for the purposes for which the  
5 grant was awarded for the duration of the expected life of the  
6 project.

7 (i) Upon disbursement of all grant funds, the authority shall  
8 report to the Joint Legislative Budget Committee on the  
9 recipients of grants, the total amount of each grant, and the  
10 purpose for which each grant was awarded.

11 (j) It is the intent of the Legislature that the California Health  
12 Facilities Financing Authority be reimbursed for the costs of the  
13 administration of the implementation of this section from funds  
14 appropriated for the purposes of this section.

15 SEC. 2. This act is an urgency statute necessary for the  
16 immediate preservation of the public peace, health, or safety  
17 within the meaning of Article IV of the Constitution and shall go  
18 into immediate effect. The facts constituting the necessity are:

19 In order that critically needed primary health care services may  
20 be provided to all Californians, it is necessary that this act take  
21 effect immediately.